GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3471
ANSWERED ON:26.04.2007
INSTALLATION OF REFINERY/ BOTTLING PLANTS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether demand of a particular area and its distance from oil fields/gas blocks is kept in view while sanctioning a refinery or bottling plant;

(b) if not, the criteria for installing a refinery/bottling plant in a State;

(c) whether there is any proposal to install another oil refinery in Haryana; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a) and (b): The refinery sector was delicensed in June,1998. Since then a refinery can be set up anywhere in India by private or public sector enterprises depending on the promoters` assessment of its viability. It is not the Central Government but public or private sector enterprises who consider proposals for setting up refineries. The cost benefit analysis, selection of location etc. for setting up new refineries are done by the concerned company keeping in view various factors such as availability of crude oil, domestic demand, export potential of petroleum products and other commercial considerations.

For setting up a bottling plant various factors like proximity to bulk LPG source, local demand, commercial considerations etc are kept in view by the company. Before according project approval, the investing companies do undertake all relevant studies including preparation of detailed project reports.

(c)&(d): There is no proposal to install a new refinery in Haryana. However, the existing Panipat Refinery of Indian Oil Corporation Limited has been recently expanded from 6 million metric tonnes per annum (MMTPA) to 12 MMTPA in 2006 and is being further expanded to 15 MMTPA.